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LEVALLOIS-PERRET



press release

Record performance for GEODIS in 2021

GEODIS has achieved the targets of its “Ambition 2023” plan two years ahead of schedule, demonstrating the reliability of its business model.

- Revenues: **€10.9bn**, +28% compared to 2020 and +33% compared to 2019, at constant perimeter and exchange rate
- EBITDA¹: **€948m**, 33% above 2020 level and 38% higher than in 2019
- Very strong generation of **operating cash flow** leading to a **substantial reduction in net debt**

Marie-Christine Lombard, Chief Executive Officer of GEODIS, declared:

“In 2021, GEODIS met the targets of its ‘Ambition 2023’ strategic plan two years ahead of schedule, both in terms of revenue and EBITDA. This performance validates the Group strategy and confirms the value creation for its shareholder, SNCF.

“In less than 10 years, GEODIS, the French leader, has become the 4th largest European player in the logistics sector and the 7th largest in the world, with revenues that have grown by more than 50% and an operating margin that has increased fivefold during this period. I would like to thank our customers for their trust (89% satisfaction rate), as well as our employees for their unwavering commitment to the Group (80% satisfaction rate).

“In 2022, GEODIS will continue implementing the three pillars of its strategic ambition: the development of an end-to-end service offering for freight delivery, the strengthening of its e-commerce logistics offering, and a policy of targeted investments in both strategic assets (logistics real estate including robotics, decarbonated trucks) and acquisitions to bolster our presence in key countries (North America, Europe and Southeast Asia).

“In 2022, GEODIS will strengthen its commitment to ESG by including environmental and social responsibility issues in the variable compensation for top management.”

¹ Post-IFRS 16 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) consists of revenues and related income minus expenses directly attributable to the business.

A historic year for GEODIS in a favorable market environment

- **Revenue of €10.9bn, +33% compared to 2019 on a like-for-like basis² (+28% compared to 2020), driven by sustained activity across all the Group's Lines of Business and regions. In particular:**
 - **The Freight Forwarding Line of Business** benefited from a very positive market environment owing to a favorable price effect and increased volumes. Its revenue in 2021 stood at €4.9 billion, +66% compared to 2019.
In a context of extreme tension in the air and sea freight market, GEODIS managed to secure transport capacities to ensure the continuity of its customers' supply chains, by:
 - Chartering vessels and securing long-term shipping capacity between Asia and Europe,
 - Strengthening its air charter program and launching a dedicated cargo aircraft.
 - **The contract logistics business has been boosted by the boom in e-commerce and market dynamism in the United States and Europe.**
The Group's activities linked to e-commerce now represent more than a quarter of sales in 2021, which illustrates GEODIS' ability to adapt its offering to market expectations.
- **Record results, well above pre-pandemic levels:** post-IFRS 16 EBITDA rose by +38% compared to 2019 (+33% versus 2020) to €948m, resulting in an EBITDA margin of 8.7% thanks to the combined effect of relevant commercial initiatives, strong operational performance and tight cost management.
- **Sound financial position: strong generation of operating cash flow**, allowing a substantial reduction in net debt and a leverage ratio³ below 1x.

Structural investments in 2021 focused on GEODIS' sustainable growth

In line with its "Ambition 2023" plan, GEODIS carried out strategic and targeted investments in 2021 that contributed to the Group's sustainable growth, both through external growth operations and the acquisition of transport and logistics capacities.

- **GEODIS made some bolt-on acquisitions to meet customer demand with an enhanced service offering and a stronger geographic presence in strategic markets:**
 - The acquisition of **Pekaes** and **Transport Perrier** will reinforce the **Road Transport** Line of Business' network for palletized freight in Poland and France.
 - The **Distribution & Express** Line of Business, which is experiencing strong growth, has expanded its offer in the healthcare sector through the acquisition of **Gandon Transports**, a leading player in the transport of temperature-controlled pharmaceutical products in France.
- **As part of its objective to reduce its CO₂ emissions by 30% by 2030 (compared with 2017 levels), GEODIS has ramped up the implementation of low-carbon and carbon-free transport solutions:**

² At constant perimeter and exchange rates.

³ Leverage ratio = Net Financial Debt / pre-IFRS 16 EBITDA.

- Implementation of a Sustainable Fuels offer, providing customers with a sustainable alternative fuel for air and sea freight, in addition to the solutions already available for road freight.
 - Ordering **330 light commercial vehicles and heavy trucks from Iveco running on bioNGV fuel**. This investment will help reach the target of ensuring 100% carbon-free deliveries in the city centers of 37 French metropolises by 2023.
 - Already the French leader in multimodal transport, GEODIS intends to develop its offering, in particular through the recent launch of a new France-Italy **rail-road transport route**.
- **GEODIS is investing in strategic assets.** The Group has **purchased land in Venlo**, the strategic logistics hub in the Netherlands close to the German border, with the intention of building a 130,000 m² logistics facility incorporating the latest environmental standards.

Development of the digital offer

- **Upply**, a marketplace launched in 2018, trebled its sales in 2021, driven by strong growth in its transport price benchmarking activity. In 2022, the company intends capitalize on its position as the European leader in benchmarking and expects increasingly rapid growth for the marketplace.
- **The eLogistics offer**, developed to meet customers' expectations in the context of the e-commerce boom, gained momentum in 2021 with **three new sites in the United States**. It will soon be launched in Europe.

Responsible growth rooted in an ambitious ESG approach

- **ESG rating:** the GEODIS ESG strategy has been awarded the EcoVadis Gold rating for the last ten years. This is a recognition of the commitment of both management and employees.
- **Diversity and inclusion:** beyond the environmental ambition of reducing its CO2 emissions, GEODIS has made inclusion one of its priorities. In 2017, women held 13% of the Group's top management positions. By 2021, this figure had risen to 20% and it will reach 25% by 2023.
- **Governance:** starting in 2022, GEODIS has decided to include ESG as one of the criteria for up to 25% of the variable remuneration of Executive Committee members and the 150 Top managers. This criterion will cover the environment, gender parity and employee commitment.

A promising outlook in the short term

The Group's objective is to maintain a favorable growth dynamic in a context where the logistics sector remains favorable in the short term, but where medium-term uncertainties persist: inflationary trends, pressure on capacities (particularly regarding sea freight), geopolitical issues, and the continuing uncertainty surrounding the ongoing public health crisis.

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Contract Logistics, Distribution & Express, and Road Transport), coupled with the company's truly global reach thanks to a global network spanning nearly 170 countries, is reflected by its top business rankings: no. 1 in France and no. 7 worldwide. In 2021, GEODIS employed over 46,141 people globally and generated €10.9 billion in revenue.

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